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IDAHO PUBLIC  
UTILITIES COMMISSION

January 27, 2016

***VIA OVERNIGHT DELIVERY***

Idaho Public Utilities Commission  
472 West Washington  
Boise, ID 83702-5983

Attn: Jean D. Jewell  
Commission Secretary

**RE: CASE NO. PAC-E-16-04  
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER  
FOR AUTHORITY TO CANCEL ELECTRIC SERVICE SCHEDULE 117 –  
RESIDENTIAL REFRIGERATOR RECYCLING PROGRAM**

Please find enclosed in the above captioned matter an original and seven (7) copies of Rocky Mountain Power's Application requesting authorization to cancel the Residential Refrigerator Recycling Program, Electric Service Schedule 117.

For informal questions related to this matter, please contact Michael Snow, DSM Regulatory Manager, at (801) 220-4214 or Ted Weston, Idaho State Regulatory Affairs Manager, at (801) 220-2963.

Sincerely,

*Bill Comeau/cm*

Bill Comeau  
Director, Demand-side Management

Enclosures

Daniel E. Solander (ISB# 8931)  
Rocky Mountain Power  
1407 W. North Temple, Suite 320  
Salt Lake City, Utah 84116  
Telephone: (801) 220-4014  
Email: [daniel.solander@pacificorp.com](mailto:daniel.solander@pacificorp.com)

*Attorney for Rocky Mountain Power*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF ROCKY MOUNTAIN POWER FOR</b>	)	<b>CASE NO. PAC-E-16-04</b>
<b>AUTHORITY TO CANCEL ELECTRIC</b>	)	
<b>SERVICE SCHEDULE 117 – RESIDENTIAL</b>	)	<b>APPLICATION</b>
<b>REFRIGERATOR RECYCLING PROGRAM</b>	)	

COMES NOW, Rocky Mountain Power, a division of PacifiCorp (the “Company”), and in accordance with RP 052 and RP 201, et. seq., hereby petitions the Idaho Public Utilities Commission (the “Commission”) for authority to cancel the Residential Refrigerator Recycling Program administered through Electric Service Schedule No. 117 (“Program”).

In support of this Application, Rocky Mountain Power states:

1. Rocky Mountain Power is authorized to do and is doing business in the state of Idaho. The Company provides retail electric service to approximately 73,000 customers in the state of Idaho and is subject to the jurisdiction of the Commission. Rocky Mountain Power is a public utility in the state of Idaho pursuant to Idaho Code § 61-129.

2. This Application is filed pursuant to *Idaho Code* §§ 61-301, 61-307, 61-622, and 61-623. In particular, *Idaho Code* § 61-623 empowers the Commission to determine the propriety of proposed rate schedules, §§ 61-307 and 61-622 require Commission approval

prior to any increase in rates, and § 61-301 requires Idaho retail electric rates to be just and reasonable.

### **BACKGROUND**

3. On December 3, 2015, the Company filed Advice No. 15-05 requesting authorization to suspend the Program due to the Program vendor, Jaco Environmental (“Jaco”), going out of business. Jaco had contacted the Company to inform it that Jaco would no longer be able to perform its contractual duties for the Program. The Commission approved the Program suspension on December 7, 2015.

### **PROPOSED PROGRAM CANCELTION**

4. In the third quarter of 2015 the Company issued a competitive Request for Proposals (“RFP”) for its Home Energy Savings program. Included as part of that RFP was a requests for bids on the appliance recycling program. The RFP requested that vendors take into account the available options for proposed Program design and planning, Program start-up and transition, marketing, customer service, processing services, data tracking and reporting, quality assurance, and compliance.

5. Two vendors submitted bids under the RFP one of those vendors was Jaco. Utilizing the information from the second bid provided under the RFP the Company asked Navigant to conduct a cost-effectiveness analysis to determine if reinstituting the Program was just and reasonable, and in the public interest. Navigant’s report is provided as Attachment A to this Application. Table 5 below is pulled from the Navigant report and shows that based on the Program delivery costs from the remaining RFP bid the benefit/cost ratio is below 1.00 for the major cost effective tests. Accordingly, given that the Program



does not pass the cost effective tests, the Company requests Commission approval to cancel Electric Service Schedule No. 117, effective March 1, 2016.

**Table 1**  
**SYLR Level Cost-Effectiveness Results (Residential and Business Pick-Up)**

Cost-Effectiveness Test	Levelized \$/kWh	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conversation Adder	\$0.0994	\$126,720	\$63,639	-\$63,081	0.50
Total Resource Cost Test (TRC) No Adder	\$0.0994	\$126,720	\$57,854	-\$68,867	0.46
Utility Cost Test (UCT)	\$0.0994	\$126,720	\$57,854	-\$68,867	0.46
Rate Impact Test (RIM)		\$275,323	\$57,854	- \$217,469	0.21
Participant Cost Test (PCT)		\$0	\$404,582	\$404,582	n/a
Lifecycle Revenue Impacts (\$/kWh)	\$0.000010499				

6. Historically the costs associated with delivering the residential refrigerator recycling program have been recovered through Electric Service Schedule No. 191 – Customer Efficiency Service Rate. On January 19, 2016, the Company filed an application<sup>1</sup> with the Commission requesting authorization to increase the energy efficiency collection rate from 2.1 percent to 2.7 percent of customers’ bills. The future demand-side management (“DSM”) costs included in the analysis used to determine the appropriate rate change required to align future revenue recovery with future DSM expenditures did not include ongoing costs associated with delivering Electric Service Schedule 117 - Residential Refrigerator Recycling Program

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<sup>1</sup> Case No. PAC-E-16-02.

## **COMMUNICATIONS**

6. Communications regarding this Application should be addressed to:

Ted Weston  
Michael Snow  
1407 W. North Temple, Suite 330  
Salt Lake City, Utah 84116  
Telephone: (801) 220-2963  
Email: [ted.weston@pacificorp.com](mailto:ted.weston@pacificorp.com)  
[michael.snow@pacificorp.com](mailto:michael.snow@pacificorp.com)

Daniel E. Solander  
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Salt Lake City, Utah 84116  
Telephone: (801) 220-4014  
Email: [daniel.solander@pacificorp.com](mailto:daniel.solander@pacificorp.com)

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to one or more of the following:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[michael.snow@pacificorp.com](mailto:michael.snow@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

## **MODIFIED PROCEDURE**

7. The Company believes that consideration of the proposal contained in this Application does not require an evidentiary proceeding, and accordingly the Company requests that this Application be processed under RP 201 *et seq.* allowing for consideration of this issue under Modified Procedure, i.e., by written submissions rather than by an evidentiary hearing. If, however, the Commission determines that an evidentiary proceeding

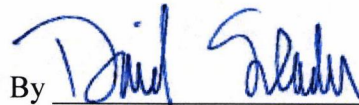
is required the Company stands ready to provide supporting testimony.

**CONCLUSION**

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue an Order: (1) authorizing that this proceeding be processed under Modified Procedure, and (2) approving the cancelation of Electric Service Schedule No. 117 - Residential Refrigerator Recycling Program, effective March 1, 2016.

DATED this 27<sup>th</sup> day of January, 2016.

Respectfully submitted,

By \_\_\_\_\_

Daniel E. Solander  
Attorney for Rocky Mountain Power



**ELECTRIC SERVICE SCHEDULES - Continued**

<b>Schedule No.</b>	<b>Class of Service</b>	<b>Sheet No.</b>
23	General Service - Small Power	23.1 - 23.3
23A	General Service - Small Power (Residential and Farm)	23A.1 - 23A.4
24	Interruptible Power Service	24.1 - 24.5
31	Partial Requirements Service – High Voltage	31.1 – 31.6
34	Pacific Northwest Electric Power Planning and Conservation Act - Residential and Farm Kilowatt-Hour Credit	34.1 - 34.3
35	Optional Time-of-Day General Service – Distribution Voltage	35.1 - 35.3
35A	Optional Time-of-Day General Service – Distribution Voltage (Farm)	35A.1 -35A.4
36	Optional Time of Day Residential Service	36.1 - 36.3
70	Renewable Energy Rider – Optional	70.1 - 70.4
73	Renewable Energy Rider - Optional - Bulk Purchase Option	73.1 – 73.4
94	Energy Cost Adjustment	94.1
118	Home Energy Saver Incentive Program	118.1 - 118.2

(Continued)



I.P.U.C. No. 1

~~Thirteenth~~ ~~Twelfth~~ Revision of Sheet No. B.2  
Canceling ~~Twelfth~~ ~~Eleventh~~ Revision of Sheet No. B.2

**ELECTRIC SERVICE SCHEDULES - Continued**

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73	Renewable Energy Rider - Optional - Bulk Purchase Option	73.1 – 73.4
94	Energy Cost Adjustment	94.1
<del>117</del>	<del>Residential Refrigerator Recycling Program</del>	<del>117.1 – 117.2</del>
118	Home Energy Saver Incentive Program	118.1 - 118.2

(Continued)

Submitted Under ~~Advice Case~~ No. ~~16-04~~ PAC-E-16-04

ISSUED: January ~~27~~8, 2016

EFFECTIVE: ~~January 5~~ March 1, 2016





I.P.U.C. No. 1

Third Revision of Sheet No. 117.1  
Canceling Second Revision of Sheet No. 117.1

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**ROCKY MOUNTAIN POWER**  
**ELECTRIC SERVICE SCHEDULE NO. 117**

**STATE OF IDAHO**

**Residential Refrigerator Recycling Program**

**SHEET NO. 117.1 IS SUSPENDED AS OF DECEMBER 7, 2015**

**PURPOSE:** Service under this tariff is intended to decrease residential refrigeration loads through the removal and recycling of inefficient models. Service under this Schedule is subject to funds availability.

**APPLICABLE:** To all retail tariff Customers taking service under the Company's electric service schedules listed on Schedule 191, or property owners, landlords, property management companies and homeowner associations not listed as the primary account holder on a qualifying rate, in all service territory served by the Company in Idaho.

**CUSTOMER PARTICIPATION:** Customer participation is voluntary and is initiated by contacting a specified toll-free telephone number or website.

**DESCRIPTION:** Participants receive an incentive to discontinue use of their working secondary refrigerator and/or freezer or to replace their working primary refrigerator and freezer with new more energy efficient model. To qualify for the incentive customers must give up their appliances for recycling. Appliances will be collected and recycled to ensure they are not resold on the secondary market.

**QUALIFYING EQUIPMENT:** Working residential refrigerators and freezers that are a minimum of 10 cubic feet and a maximum of 32 cubic feet in size, utilizing inside measurements.

**PROVISIONS OF SERVICE:**

1. Residential, commercial and industrial customers will receive an incentive of \$50 for each eligible refrigerator and/or freezer. Incentives will be available on a maximum of two appliances per qualifying customer per year. The Company may offer a packet with written energy efficiency information and instant savings measures.
2. Participating retailers will receive an incentive of up to \$20 for each eligible refrigerator and/or freezer.
3. Incentive checks will be mailed within 30 days of the appliance collection date.

(Continued)

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Submitted Under Advice Letter No. 15-05

**ISSUED:** December 3, 2015

**EFFECTIVE:** December 7, 2015



I.P.U.C. No. 1

Second Revision of Sheet No. 117.2  
Canceling First Revision of Sheet No. 117.2

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**ELECTRIC SERVICE SCHEDULE NO. 117 – (Continued)**

**SHEET NO. 117.2 IS SUSPENDED AS OF DECEMBER 7, 2015**

**ELECTRIC SERVICE REGULATIONS:** Service under this schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Idaho Public Utilities Commission, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

**CANCELLED**

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Submitted Under Advice Letter No. 15-05

**ISSUED:** December 3, 2015

**EFFECTIVE:** December 7, 2015

## ATTACHMENT A





1375 Walnut Street  
Suite 200  
Boulder CO 80302  
303.728.2500 phone  
303.728.2501 fax

## Memorandum

**To:** [REDACTED] PacifiCorp/Rocky Mountain Power  
**From:** [REDACTED] Navigant  
**Date:** January 6, 2016  
**Re:** Cost Effectiveness for the See Ya Later Refrigerator Program - Idaho

Navigant has developed this memo in response to PacifiCorp's proposed See Ya Later Refrigerator Program cost effectiveness modeling needs in the state of Idaho.

This memo presents the cost effectiveness results of individual analysis runs for the state of Idaho. Each scenario is analyzed using modeled assumptions provided by PacifiCorp. These scenarios utilize the following assumptions:

- **Avoided Costs:** Navigant utilized the "East" 71% Plug Loads decrement provided in the 2015 PacifiCorp Integrated Resource Plan along with the Idaho Residential Plug load shape to calculate avoided costs.
- **Modeling Inputs:** Navigant utilized per unit measure savings provided by PacifiCorp in the file SYLR RFP C-E Inputs.xlsx.
- **Energy Rates:** Navigant utilized the 2014 rates provided by PacifiCorp and applied an escalation of 1.9% to arrive at estimated rates for PY2016.
- **Line Loss Factors:** Navigant utilized the residential line loss factor throughout the analysis.
- **Evaluation Period:** The evaluation period for this analysis uses program year 2016 as year one.

This memo will begin by addressing the inputs used in the analysis of the Idaho See Ya Later Program. The cost-effectiveness inputs are as follows:

**Table 1 – SYLR Inputs**

Parameter	Value
Discount Rate	6.66%
Residential Line Loss	11.47%
Residential Energy Rate (\$/kWh)	\$0.1089
Inflation Rate <sup>1</sup>	1.90%

<sup>1</sup> Future rates determined using a 1.9% annual escalator.

**Table 2 – SYLR Annual Program Costs**

Measure Group	Internal Admin (per unit)	Unit Labor + Admin (per unit)	Incentives	Total Utility Costs (per unit)	Gross Customer Costs
Residential and Business Pick-Up	\$22.72	\$138.48	\$50.00	\$211.20	\$0.00

**Table 3 – SYLR Savings by Measure Category**

Measure Group	Gross kWh Savings (per unit)	Realization Rate	Adjusted Gross kWh Savings (per unit)	Net to Gross Ratio	Net kWh Savings (per unit)	Measure Life
Residential and Business Pick-Up	1,048	100%	1,048	40%	416	6

**Table 4 – SYLR Participation by Measure Category**

Measure Group	Annual Units
Residential and business pick-up and recycle 1st refrigerator/freezer	555
Residential and business pick-up and recycle 2nd refrigerator/freezer	45

The PY2016 cost/benefits results at the program level are as follows:

**Table 5 – SYLR Level Cost-Effectiveness Results (Residential and Business Pick-Up)**

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